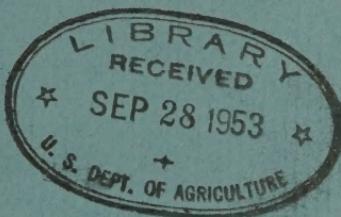


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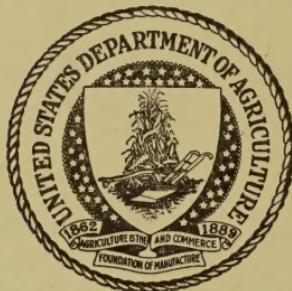
CROP INSURANCE UNDERWRITING

Manual



UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION
Washington 25, D.C. July 1953

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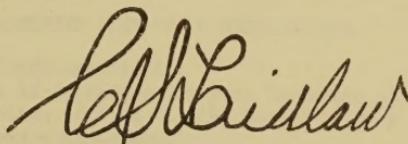
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UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION

CROP INSURANCE UNDERWRITING MANUAL

This manual is applicable to all commodities in establishing coverages and premium rates for 1954 and succeeding crop years and will remain in effect until revised or superseded. However, in the case of citrus and tobacco under the ownership program, certain provisions of this manual may not be applicable. In such cases supplemental procedures will be issued. This manual supersedes FCI State Office Procedure Manual, revised December 10, 1952 and FCI County Procedure Manual, revised April 1, 1952. It outlines the procedure for (1) developing and mapping crop insurance coverage and premium rate areas, (2) the preparation and analysis of (a) Form FCI-25, Record of Crop Insurance Experience, (b) Form FCI-26, Adjuster's Report, (c) Map of Crop Insurance Experience, and (d) the Analysis of Individual Insurance Experience, (3) the preparation of the List of Ineligible Producers, and (4) the approval, voidance and filing of specified actuarial forms. Supplemental instructions for the various commodities, giving details applicable only to the commodity, will be issued as needed to supplement this manual.



Manager

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Sample Form FCI-25, Record of Crop Insurance Experience

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No. 2

No. 3

No. 4

CROP INSURANCE UNDERWRITING MANUAL

PART I - ORGANIZATION AND OBJECTIVES

The Federal Crop Insurance Act provides that the Corporation fix adequate premiums for insurance at rates deemed sufficient to cover crop losses and to establish as expeditiously as possible a reasonable reserve against unforeseen losses. It is the objective of the Underwriting Division to establish sound and equitable actuarial bases for insurance on agricultural commodities in conformance with the provisions of the Act. One of the means of achieving this objective is to require that sound underwriting practices be adhered to in all phases of the administration of the program. The purpose of this manual is to prescribe uniform and sound underwriting techniques.

The Underwriting Division is composed of the Underwriting Staff, the Actuarial Section, both of which are located in the Washington Office, and the Field Underwriting Offices. Under the direction of the Chief of the Underwriting Division, the Underwriting Staff plans, directs and coordinates all underwriting activities of the Corporation; the Actuarial Section provides the technical assistance required in the development of actuarial formulas and makes actuarial analyses. In addition to these functions, the Actuarial Section tabulates and maintains files of basic actuarial data and determines insurance coverages and premium rates through the application of various formulas. The Field Underwriting Offices are under the direction of the Underwriting Staff.

PART II - GENERAL UNDERWRITING POLICY

SECTION 1 - BASIC UNDERWRITING PRINCIPLES

As with any other type of insurance one of the major requirements of a successful all-risk crop insurance program is a sound actuarial structure. Basically insurance underwriting involves the determination of the probability of loss for the liability assumed. The recognized method of measuring expected risk of loss is from previous insurance experience over a representative period of years.

The Corporation follows the policy of incorporating actual insurance experience into county premium rates. Since experience eventually determines the premium rate producers will pay, it is of utmost importance that a sound initial actuarial basis be developed. In order that premium rates will not fluctuate widely from year to year, it is necessary that each county build up an adequate reserve of premiums over indemnities.

A sound actuarial basis for insuring any crop requires: (1) elimination of all poor risks, (2) an accurate classification of land in the county on the basis of productivity, (3) establishing a premium rate on all areas of land adequate to cover the risk of loss and to establish a reasonable reserve, and (4) distribution of the insurance participation over all insurable areas so as to obtain the best possible distribution of risk.

It is essential that persons engaged in performing underwriting duties be thoroughly familiar with the insurance policy and all phases of the insurance program. This is necessary in order to evaluate properly and interpret the many factors involved in insurance underwriting. All forms and procedures concerning the application, policy, regulations, acreage reports, inspection reports, loss adjustments, and collections must be fully understood.

SECTION 2 - DETERMINATION OF COUNTY AVERAGE COVERAGES
AND COUNTY AVERAGE PREMIUM RATES

County average coverages and county average premium rates are issued annually by the Washington Office Underwriting Division for each county in which a program is offered.

For counties in which there has been no previous all-risk crop insurance experience the county average coverage and premium rate is determined by a statistical formula from the production history of the county for a representative period of years. Insurance experience for comparable counties in the area is considered in the determinations. Recognized trends and varying farming practices must also be recognized.

For counties in which a crop insurance program has been previously operating, county average coverages and rates, where necessary, are adjusted annually to reflect adverse experience from the preceding year. The field underwriter should at all times be cognizant of the loss situation in each county. He should notify the Washington Office immediately should it, for any reason, become evident that adjustments in coverages and rates should be made.

PART III - UNDERWRITING OPERATIONS AND METHODS

SECTION 1 - GENERAL

A. FORMS FOR RECORDING AREAS, COVERAGES AND PREMIUM RATES

1. Form FCI-33 - Crop Insurance Map

This is the form used to record the land in each coverage and rate area and also for designating unclassified land. The kind of map best suited for this purpose will vary according to type of insurance programs, number of areas, uniformity of land in the county, etc. The following types are suggested:

- a. County Engineer's Map
- b. County Plat Map
- c. Aerial Photo Indexes

2. Form FCI-34 - County Summary of Coverages
and Premium Rates by Areas

This form shall be used for controlling the insurance coverages and premium rates per acre established for the areas and for adjusting such coverages and premium rates to the county average coverage and county average premium rate.

3. Form FCI-35 - County Actuarial Table

The Form FCI-35 is the official county actuarial table of coverages and premium rates. This form is prepared and approved by the Washington Office Underwriting Division after review and approval of Form FCI-33 (Crop Insurance Map), Form FCI-34 and other related data. Any coverages or premium rates issued prior to approved Form FCI-35 are for administrative use only and are subject to change.

Prior to the receipt of the approved Form FCI-35 from the Washington Office, coverages and rates will not be disseminated to producers in the county since more current loss experience or additional information might necessitate increased rates or lower coverages.

B. ROUNDING OF FRACTIONS

Fractions resulting from computations shall be rounded as follows: Computations shall be carried one digit beyond the digit to be rounded. If the last digit is 1, 2, 3 or 4, disregard it, if the last digit is 5, 6, 7, 8 or 9, round upward.

C. LOCAL PURCHASE OF NECESSARY MATERIALS

The field underwriter shall determine the type of maps to be used in each county for recording the final area determinations. Such maps shall be provided by the Corporation. If it becomes necessary to purchase maps or other office supplies required for performing actuarial work, such supplies may be purchased locally, the amount not to exceed \$25.00. The vendor shall be requested to claim reimbursement on a Standard Form 1034 voucher, which must be initialed by the purchaser. In the event that the vendor demands cash payment, the purchaser is authorized to pay cash, but must obtain a receipt showing the quantity and cost of each kind of office supplies purchased for each county. Form 1012 shall be used to claim reimbursement for this expenditure and must be accompanied by the vendor's receipt, together with a statement that cash payment was demanded. Where it is not possible to purchase a satisfactory map for \$25.00 or less, it will be necessary to obtain approval from the Washington Office before such purchases may be made.

D. ASSISTANCE TO THE FIELD UNDERWRITER

It shall be the responsibility of the state director to furnish the field underwriter with the required clerical, stenographic and administrative assistance necessary in the performance of his underwriting duties.

SECTION 2 - DETERMINATION AND MAPPING OF COVERAGES AND PREMIUM RATE AREAS

A. COUNTIES ESTABLISHING A NEW CROP INSURANCE PROGRAM

1. Discussion of County Average Coverages and County Average Premium Rates by Field Underwriter With State Director

The Washington Office will furnish determinations of county average coverages and county average premium rates to the field underwriter for his review. If he does not concur with these determinations he should contact the Washington Office before discussing them with the state director. If he concurs with the determinations he will discuss them and review his plans for establishing the actuarial bases within the county with the state director.

2. Survey of County

Before establishing the actuarial bases a thorough study of the county will be made. This study should include the types of farming, land use in the county, topography, soil types, drainage, production practices and hazards. Differences in productivity and risk within the county should be closely observed. Where available, soil surveys should be carefully reviewed. A field trip should be made through the area unless the underwriter has a thorough knowledge of the county. The views and opinions of local representatives of the Department of Agriculture and any other person or organization familiar with agriculture in the county should be obtained. It is essential that any information received be properly evaluated on a sound underwriting basis.

3. Determination of Insurable and Unclassified Areas

a. Number of Areas Applicable to the County

An area will be all the land in the county for which the same coverage and premium rate is established. It may consist of one contiguous tract or several separated tracts. No limitation will be placed on the size of an area but it shall be as small as needed to reflect differences in productivity or risk of growing the crop.

Areas will be established to reflect differences in crop productivity and risk of growing the crop. The number of areas required will depend to a large extent upon the variation in productivity between different land areas in the county. A sufficient number of areas should be established so that the variation in productivity between areas can be properly reflected in the amount of coverage offered in the various areas.

Generally more areas are needed if the coverage is a relatively high percentage of the county average yield than if the coverage is a low percentage of the average yield. Additional areas will also be necessary to place the proper premium rate on tracts of land that vary in risk of loss.

(1) Numbering Areas. A code number shall be assigned to identify each area. In assigning area numbers for the different areas of the county, the area having the lowest coverage shall be assigned Number 1. If two or more areas have the same coverage but varying premium rates, the area with the lowest rate shall be assigned the lowest number.

Example 1

Area 1	Coverage 100 lbs.	Premium Rate 16 lbs.
Area 2	Coverage 150 lbs.	Premium Rate 12 lbs.
Area 3	Coverage 200 lbs.	Premium Rate 10 lbs.

Example 2

Area 1	Coverage \$12.00	Premium Rate \$.90
Area 2	Coverage \$12.00	Premium Rate \$1.50
Area 3	Coverage \$16.00	Premium Rate \$.90

b. Land to be Included in Each Area

The determination of the land to be included in each area is a matter of evaluating the normal production and potential risk in growing the crop in the various areas. It is important that all available information be considered in making these determinations such as crop yield data, topography maps, soil maps, land use maps, specific hazards affecting certain areas, etc. No land will be included in the area for which the coverage would exceed 75 percent of the recorded or appraised average yield. (For counties with dollar coverage, divide the coverage by the fixed price to make this determination.)

c. Unclassified Land

In most counties there are some areas of land on which the risk of growing the insured crop is so great or so uncertain that a sound insurance program cannot be operated. Such land should be eliminated from the insurance program by designating it as "unclassified". Unclassified land should include any land on which (1) it is impossible to measure the insurance risk involved over

and above that of the average land in the county, or (2) insurance experience has been or is likely to be so unfavorable as to preclude the operation of a sound insurance program. This would include land subject to conditions such as severe wind erosion, frequent flood, poor drainage, severe infestation of noxious weeds, known soil deficiencies, etc.

Also land subject to a change in conditions (that would make production of the crop more hazardous or risk of loss unmeasurable), such as construction of dams, levees, or dikes, etc., should be included as unclassified land.

Land on which insurance will not be offered shall be outlined on the Crop Insurance Map, Form FCI-33, and shall be identified as unclassified by drawing diagonal lines across the area (|||||||||||||||||)

In some instances it will be very difficult to accurately delineate small acreages of unclassified land on the Crop Insurance Map, Form FCI-33. Such acreages should be listed on Form FCI-33-Supplement 1, Supplemental Listing of Unclassified Acreage. It is important that all acreages shown on this supplement be clearly identified. This supplement will be a part of the Crop Insurance Map, Form FCI-33, and all instructions regarding the approval, revision or use of the Crop Insurance Map shall also be applicable to the supplemental listing.

d. Establishing Coverage and Premium Rate for Areas

After determination of areas of comparable productivity and risk it is then necessary to establish a preliminary coverage and premium rate for each such area. These area coverages and rates should be determined on the basis of the relationship of the productivity and risk of each area to the county average coverage and premium rate. Often there is a tendency to make small or insignificant differences in the coverage or premium rates between areas. If the difference between the areas is so small as to make little difference in the coverage or premium rate the land should generally be included in one area.

The amount of variation between areas will depend somewhat upon the topography of land or variation of soil types in the county. For example, in some counties one side of the county may be considerably more productive than the other side. In such cases there should be separate areas with the proper variation in coverage between areas. Also where significant variation in risk of loss occurs such land shall be included in separate areas with sufficient difference in the premium rate to properly reflect such variation.

Special consideration should be given to establishing premium rates for land subject to specific hazards, (example flood) not generally applicable to all land in the county. In such cases the additional rate such land should carry can be calculated on the basis of the frequency with which a loss may be expected from such hazard. It is important that the extra premium rate in such areas be sufficient to carry the risk of the specific hazard.

e. Preparation of Crop Insurance Map, Form FCI-33

Area boundary lines should generally follow natural boundaries,

Each map shall be identified by placing the name of the county and state in a prominent place on the map.

f. Land Physically Located in an Adjoining County

Land physically located in an adjoining non-insurance county may be insured where the land adjoins and is a part of a farm located within an insurance county and such land is included within an area identified on Form FCI-33 for the insurance county. For this purpose, a farm shall be considered as located in the county in which the principal dwelling is located, or if there is no dwelling thereon, in the county where the major portion of the land is located. If, under this definition, a farm is located in a non-insurance county, only that part of the farm lying within the insurance county will be included on the Crop Insurance Map, Farm FCI-33. Generally, the same policy will be followed in adjoining insurance counties except that in these counties great care should be exercised to see that the boundary lines between the counties are in exact agreement to prevent duplicate listing.

4. Preparation of Forms FCI-34 and FCI-35

Detailed instructions regarding the preparation of Form FCI-34 will be issued as a supplement to this manual for each commodity.

Form FCI-35 will be prepared and approved by the Washington Office Underwriting Division after review and approval of Form FCI-33 (Crop Insurance Map), Form RCI-34 and other related data.

B. COUNTIES OPERATING A CROP INSURANCE PROGRAM DURING THE PRECEDING YEAR

1. Discussion of County Average Coverages and County Average Premium Rates by the Field Underwriter with State Director

As in the case of counties establishing a new crop insurance program, determinations of county average coverages and county average premium rates will be furnished the underwriting fieldman. If, after reviewing the coverages and rates, the field underwriter has no recommendation to submit to the Washington Office, he will discuss the coverages and rates and review his plans for reestablishing the actuarial bases within the county with the state director. The coverages and premium rates are subject to change by the Washington Office prior to the issuance of the approved County Actuarial Table. Form FCI-35.

2. Review of Insurance Experience in County

A detailed analysis of the insurance experience in the county, together with a review of the actuarial bases established for the prior year, should be made to determine if revisions are necessary. The analysis should include a careful review of the County Analysis Sheet, Maps of Crop Insurance Experience, Form

FCI-26 (Adjuster's Report), and the Analysis of Individual Insurance Experience. Various analyses of experience which should be made are included in Part VIII of this manual. If deemed necessary, a survey of part or all of the county should be made as discussed in Part III, Section 2-A-2.

3. Revision in Coverages and Premium Rate Areas

For most insured commodities, insurance is written under a continuous contract. This makes it very important that revisions in coverages and premium rates be held to a minimum. It is not known who will have an interest in the crop planted on land for which the coverage or premium rate is changed. Therefore, any changes in the area determinations require that all producers be notified that changes were made, and advised that they may inspect the Crop Insurance Maps and related forms to ascertain the coverages and rates on land in which they may have an interest.

4. Declaring Additional Land Unclassified

The regulations provide that land can be declared unclassified for any crop year. Each year a careful review should be made to determine if there is any land with excessive risk being insured which is detrimental to a sound insurance program. Such land must be unclassified. As in the case of revisions in area determination, changes in the designation of unclassified land should be called to the attention of insured producers. Instructions for declaring additional land unclassified after the completion of the actuarial work and prior to the closing date for accepting applications are included in Part V.

5. Revision of Crop Insurance Map, Form FCI-33

If, after a detailed analysis of insurance experience and a review of the actuarial bases established for the prior year, it appears there is sufficient need and justification for a revision in the insurable areas or unclassified land, a new map for delineating such revised areas must be prepared.

The revised map shall be prepared in the same manner as the original map. (See Part III, Section 2-A-3.)

Revisions in county actuarial bases must be completed and all necessary forms forwarded to the Washington Office at least 45 days before the cancellation date.

6. Preparation of Forms FCI-34 and FCI-35

Detailed instructions regarding the preparation of Forms FCI-34 will be issued as a supplement to this Manual for each commodity.

Form FCI-35 will be prepared and approved by the Washington Office Underwriting Division after review and approval of Form FCI-33 (Crop Insurance Map), FCI-34 and other related data.

**PART IV - APPROVAL, TRANSMITTAL, FILING AND VOIDING
OF ACTUARIAL FORMS AND MATERIALS**

SECTION 1 - APPROVAL OF FORMS FCI-33, CROP INSURANCE MAPS

A. COUNTIES ESTABLISHING A NEW CROP INSURANCE PROGRAM
OR REVISING CROP INSURANCE MAPS FOR PREVIOUS YEARS

Each map must be identified by entering the name of the state and county. After the satisfactory completion of the Crop Insurance Map, Form FCI-33, it will be stamped in a prominent place as follows:

FEDERAL CROP INSURANCE CORPORATION		
FCI-33	Crop Insurance Map	
Map No. _____	Approved _____	Date _____

Any map on which unclassified land has been outlined shall also be stamped as follows:

	Coverages and Premium Rates Not Established on Land So Designated
--	--

The map(s) of any county for which a Form FCI-33-Supplement 1, Supplemental Listing of Unclassified Acreage, has been prepared shall also be stamped as follows:

SEE SUPPLEMENTAL LISTING OF UNCLASSIFIED ACREAGE

The map(s) shall then be recommended for approval by a field representative of the Underwriting Division by inserting his initials in the above stamp immediately following the word "Approved". They shall then be forwarded to the Washington Office for review, approval and photostating.

In addition, each map shall be stamped with the following stamp for approval in subsequent crop years, as required by instructions contained in Part IV, Section 3-D.

FEDERAL CROP INSURANCE CORPORATION		
Coverage and rate areas shown on this map are applicable to the crop years as approved below:		
CROP YEAR	APPROVED BY	DATE

Before transmittal of the Crop Insurance Map, Form FCI-33, a determination must be made whether it will be necessary to cut the map into sections for photocopy. The following table of sizes shall be the guide in making this determination:

- (1) Any map to be photocopied to actual size shall not exceed dimensions of 18" x 24".

(2) Any map to be photocopied to a reduced size shall not exceed dimensions of 35" x 47".

The above dimensions shall include the county boundary lines as well as the name of the county, and all stamps and identification thereon. Any map in excess of 35" x 47" must be cut into sections.

Any map which is cut to meet the above dimensions shall have each section identified as to the county and state name and the form number. In cutting the map, recognized boundary lines must be followed, where possible. Each section must have all areas properly identified in order that it will be a complete map within itself. Each section shall have the county name entered thereon, be properly stamped and recommended. In those counties using blue print maps, the most satisfactory process of reproduction is the Ozalid method. When this method is used, the size limitation mentioned above will not apply.

B. COUNTIES NOT REVISING CROP INSURANCE MAPS FROM PREVIOUS YEARS

Except for those counties using photo enlargements or indexes for their Crop Insurance Map, Form FCI-33, a photocopy of the prior year's map will be approved for the current year and furnished the county office in accordance with instructions in Part IV, Section 3-D. Where photo enlargements or indexes are used for the Crop Insurance Map, Form FCI-33, and no revisions are made from the prior year, the official county office copy of the map(s) will be approved for the current year.

SECTION 2 - APPROVAL OF FORMS FCI-34 AND FCI-35

A. FORM FCI-34

After Form FCI-34 has been prepared in duplicate in accordance with the appropriate supplements to the manual, it will be signed and recommended for approval by the field underwriter.

B. FORM FCI-35

This form is prepared, approved and issued by the Washington Office.

SECTION 3 - TRANSMITTAL, FILING AND VOIDING OF ACTUARIAL FORMS

A. TRANSMITTAL OF FORMS FCI-33

All Crop Insurance Maps, Form FCI-33, originally prepared or revised shall be forwarded to the Washington Office for review and photostating. A sufficient number of photocopies to be used for sales, loss adjustment, acreage reports, Maps of Crop Insurance Experience, and for preparing county office actuarial files for future years should be requested. Additional photocopies may be ordered direct from the Branch Office in future years if the supply becomes exhausted and no revision in the map is necessary.

B. TRANSMITTAL OF FORMS FCI-34 AND FCI-35

The original and duplicate copies of Forms FCI-34, after being recommended for approval by the field underwriter, will be forwarded to the Washington Office for final determinations and approval.

Form FCI-35, County Actuarial Table, will be prepared, approved and issued by the Washington Office after the receipt and approval of Form FCI-34, any necessary Crop Insurance Maps, and related actuarial data. Any coverages and premium rates issued prior to the receipt of the approved Form FCI-35 are for administrative use only, and are subject to change.

C. DATE BY WHICH ACTUARIAL FORMS MUST BE ON FILE IN THE COUNTY OFFICE

The Crop Insurance Contract provides that the approved County Actuarial Table and related forms, including the Crop Insurance Maps, shall be on file and available for inspection in the county office at least 15 days before the cancellation date for any crop year. It is essential that this contract provision be adhered to in every instance.

These forms must be submitted to the Washington Office in sufficient time so that they may be reviewed, photostated and returned to the county office by the date set forth in the contract.

D. FILING OF ACTUARIAL FORMS

1. State Office

Except for those counties using photo indexes or enlargements for the Crop Insurance Map, Form FCI-33, the original of all Forms FCI-33, FCI-33-Supplement 1 and FCI-35 will be filed in the State Crop Insurance Office. The Forms FCI-33 and FCI-33-Supplement 1 shall be approved each year by the field underwriter until replaced by a revised form. When replaced by a revised form, the superseded Form FCI-33 shall be voided in accordance with Part IV, Section 3-E.

For counties using photo indexes or enlargements for the Crop Insurance Map, Form FCI-33, the same procedure will apply except a photocopy of the actuarial forms will be maintained by the state director in lieu of the originals which will be filed in the county office.

The Form FCI-35 and any other actuarial forms prepared annually will be filed by commodity and crop year.

2. County Office

For proper maintenance of actuarial forms in county offices, the state director will each year assemble a folder of county actuarial material for that year for each county. Inasmuch as this material constitutes a legal part of the insurance contract, this file must be maintained at all times in the county office and must not be removed therefrom.

In addition to inserting the name of the county and the program, each folder shall be stamped with the following stamp:

OFFICIAL COUNTY OFFICE COPY
19 CROP INSURANCE ACTUARIAL FORMS
Not to be removed from County Office

In addition, each form included in the file will be stamped with the following stamp:

OFFICIAL COUNTY OFFICE COPY

3. Material to be Included Within Official County Actuarial File

With the exception of counties using photo indexes or enlargements

for Form FCI-33, the following material properly approved as shown above will be assembled annually for each county file:

- a. Table of Contents
- b. Form FCI-33
- c. Form FCI-33-Supplement 1 (Where applicable)
- d. Form FCI-35
- e. Form FCI-35-B-Supplement 1, Fixed Price Schedule for Beans
- f. Form FCI-32-T (For Tobacco Ownership Counties Only)
- g. Form FCI-36-M

The official folder for counties using photo indexes, enlargements or other maps which cannot be filed in a folder for Form FCI-33 will contain all of the forms listed above except Form FCI-33. Form FCI-33 placed on photo indexes or enlargements are usually too bulky to be included in the official county folder and may be maintained elsewhere in the county office. Therefore, the original copy of this form will be stamped "Official County Office Copy" and shall be approved each year on a continuing basis by a representative of the Underwriting Division until replaced by a revised map, and will, along with the county folder, be retained in the county office at all times. It is recognized that in addition to the photo indexes and enlargements there may be other maps too large to be filed in the county folder. Such maps may be maintained elsewhere in the county office. The field underwriter will arrange with the state director for the filing and approval of such maps.

Included as the first page in each county file will be a Table of Contents for the file. On the upper portion of this sheet will be typed the following sentence: "This folder contains the following contents." Below this sentence will be typed a list of the actuarial forms and material included within the file.

Where photo indexes, enlargements or other maps which cannot be filed in the folder are used for Form FCI-33, it will be necessary to add the following statement to the Table of Contents: "Also see Form FCI-33, Crop Insurance Map, which is not filed in this folder."

4. Maintenance of Official County Actuarial Folders

It will be the responsibility of the state director to determine that the approved folder is on file in the county office at least 15 days before the cancellation date and remains on file in the county office until its destruction is authorized. Under no circumstances will any of the material in these files be removed or altered in any way during the current or subsequent years.

Except for those counties using photo indexes or enlargements for their Crop Insurance Map, Form FCI-33, it will be necessary for the state director to retain a supply of photostatic copies of Form FCI-33 for use in preparing the official county actuarial files when the Form FCI-33 is not revised from the previous year. Only the official file copy of Form FCI-33 included in the county actuarial folder need be approved. If additional copies are needed, it will be necessary for these maps to be approved by the representative of the Underwriting Division before they may be considered as official copies.

For counties using photo indexes or enlargements, only the Form FCI-33 stamped "Official County Office Copy" need be approved each year by the representative of the Underwriting Division.

E. VOIDING CROP INSURANCE MAPS, FORM FCI-33

The state office file copy of the Crop Insurance Map, Form FCI-33, when replaced by a revised map will be voided with the following stamp and maintained in a file for voided maps:

FEDERAL CROP INSURANCE CORPORATION	
This map NOT APPLICABLE to the _____ and succeeding crop years.	
By _____	Date _____

In county offices all copies of Crop Insurance Maps replaced by revised maps, except the official file copy, will be voided or destroyed. When the map is revised for counties using photo indexes or enlargements, the old official county office copy will be voided and any additional copies of the old map will be voided or destroyed.

PART V - DESIGNATIONS OF UNCLASSIFIED LAND UP TO CLOSING DATE

Two copies of Form FCI-33-Supplement 1 shall be prepared covering any such land so designated after the actuarial work has been completed for a county. A copy, approved by the field underwriting representative, of such form must be on file in the county office not later than the closing date. The original, together with a Form FCI-6 (Statement of Facts), shall be submitted to the Washington Office for photocopying.

PART VI - ELIMINATION OF POOR INSURANCE RISKS

SECTION 1 - PURPOSE OF SCREENING OUT POOR INSURANCE RISKS

In most counties having a crop insurance program for several years, experience reveals that loss claims have been paid to certain producers much more frequently than would be expected in the light of prevailing crop conditions. Since the actuarial policy provides for building future premium rates from experience, these losses are paid by other producers in the county. In order to have a sound insurance program with the lowest possible premium rates, it is essential that all such producers be made ineligible for insurance.

Any producer who is known to be a poor insurance risk should not be included in this type of insurance program. Some of the factors which should be considered are: Poor or inadequate equipment, the pursuance of another occupation and not devoting sufficient time to farming operations, insufficient knowledge or farming experience, physically incapable of performing proper farming operations, untrustworthy, and follows questionable business practices. It is impossible to establish a sound insurance program unless poor insurance risks are excluded.

Any such insureds will be cancelled by the Corporation as soon as they become known. However, the Corporation will ordinarily not become cognizant of such risks being insured before one or more indemnities have been paid unless these risks can be ascertained from local people. This results in a hardship on the other insureds in the county as their premium payments will have been used to pay such indemnities instead of being used to build up necessary reserves and to pay for justified losses. It is therefore of utmost importance that a careful review be made of each applicant and any applications received from such undesirable risks be rejected.

In counties with prior experience the following forms will furnish a basis for determining which insureds should be denied insurance because of excessive risk:

Form FCI-25, Record of Crop Insurance Experience
Form FCI-26, Adjuster's Report
Analysis of Individual Insurance Experience

The succeeding sections of this part provide the procedure for the completion of the above forms and the final lists of ineligible producers.

SECTION 2 - PREPARATION OF FORM FCI-25, RECORD OF CROP INSURANCE EXPERIENCE

A. GENERAL

The Forms FCI-25 shall be prepared and maintained by the State Director in accordance with the following procedure:

1. Persons for Whom Form FCI-25 Shall Be Prepared

The Branch Office will enter all the necessary data on the headings of the FCI-25 cards for all new applicants. The Branch Office will proceed with entering this information on the FCI-25 cards upon receipt of the final Form 15 transmitting the applications. If an applicant applies for insurance on more than one crop in the county, a separate FCI-25 will be prepared for the applicant for each insured crop. The state office will prepare the Forms FCI-25 for the applications sent to the Branch Office after the "final" transmittal and for each person whose name appears on the List of Ineligible Producers, if one has not already been prepared for him.

2. Filing of Forms FCI-25

Forms FCI-25 prepared for eligible producers shall be filed in numerical order by contract number in a file marked "Eligible Producers". A separate file shall be maintained for each insured crop in the county. Forms FCI-25 prepared for ineligible producers for all insured crops shall be filed by counties in alphabetic order in one separate file marked "Ineligible Producers".

If at any time during the crop year it is determined that an insured producer is a poor risk and is to be placed on the ineligible list for future years, each Form FCI-25 prepared for that producer shall be removed from the eligible producer files. The word "Ineligible" shall be entered on the line for the first crop year in which the producer will be ineligible and the form then filed in the ineligible producer file. If more than one Form FCI-25 has been prepared for the producer, all such cards for the producer shall be placed in the ineligible file. After any final list of ineligible producers has been completed, it shall be determined that a Form FCI-25 for each producer on this list has been prepared and is in the ineligible file. At the time any ineligible list is prepared Forms FCI-25 which are in the ineligible file for producers whose names do not appear on the final ineligible list shall have the notation "ineligible" removed and be returned to the eligible file.

In order to simplify and facilitate the posting of data on Forms FCI-25, it will be necessary in subsequent years to divide the file of eligible producers for each insured crop into two separate parts; namely, active and inactive. This will become more important as the files increase in size. Each year at the time premiums are posted on Forms FCI-25, the inactive cards should be removed from the active portion of the file and filed in numerical sequence in

the inactive portion of the file. In this connection, a card should be considered inactive in any year in which the producer does not have a contract in force. Forms FCI-25 for any producer which are filed in the inactive portion of the file shall be removed and returned to the active portion of the file whenever a new application for insurance on that crop is approved for such producer.

B. DATA TO BE RECORDED ON FORM FCI-25

In the event an ineligible producer has never filed an application, only the crop, the state and county code, and the name of the producer shall be entered in the heading of the form. On the first line of the form prepared for such producer, enter the crop year and the word "Ineligible" to denote the first year in which the producer will be ineligible. Data should be posted on Form FCI-25 as soon as it is available, and should be entered on the form as follows:

<u>COLUMN HEADING</u>	<u>SOURCE</u>
<u>Crop Year</u>	Crop year for data being posted.
<u>Type and Level</u>	Except for counties with more than one level or type, enter data from actuarial tables. In counties with more than one level or type, obtain data for each contract from the acreage report.
<u>Amount of Premium</u> (Post in dollars in case of corn, tobacco, beans, multiple and citrus. Post cotton in lbs. and wheat & flax in bushels.)	Except for revised premiums, enter data from listing case of corn, tobacco, beans, multiple and citrus. Post cotton in lbs. and wheat & flax in bushels.)
<u>Amount of Indemnity</u> (Post in dollars in case of corn, tobacco, beans, multiple and citrus. Post cotton in lbs. and wheat & flax in bushels.)	Form FCI-76, Revised
<u>Premium Balance</u>	Leave column blank for citrus, multiple and tobacco. For corn, beans, cotton, flax and wheat, except in those cases where the premium balance is a deficit amount, or when the continuity is broken, enter the sum of premium balance for prior years plus the premium for the current year less the current indemnity. (In those cases where the premium balance is a deficit amount or where the continuity has been broken, enter "0".)
<u>Primary Cause of Loss</u>	Form FCI-76, Revised, lists the code number for the primary cause of damage. Codes for causes of damage are included in the appendix to this manual.
<u>Remarks</u>	Enter for any applicable year - pertinent remarks from "Statement in Proof of Loss", "Inspection Report", or "Adjuster's Report", which have bearing

on insurance risk of either land or insured. If the word "Ineligible" appears opposite any crop year, enter the reasons in this column. If there is no insurance in any year but continuity of insurance is not broken, enter reason opposite such year, such as "In Active Service", "No Seeded". If a reduced premium applies, enter opposite such year "25% Reduction" or "50% Reduction".

As an aid to posting data for prior years, sample Forms FCI-25 for wheat and cotton showing the source of data to be recorded are included in the appendix to this manual.

In counties which were cancelled during the 1947 crop year, and in which programs are being reinstated, the state director should contact the Branch Office relative to the preparation of the FCI-25 card. In some cases the necessary information for these counties is on file in the Branch Office.

In the case of cotton, if the producer had insurance in prior years, a review of the insured's record shall be made in reverse chronological order and shall continue until there is a break in continuity, or until the entry for the accumulated balance is zero, whichever occurs first. In addition, (1) if the indemnity is shown on the FCI-25 card for either 1947 or 1948, (2) if the contract has a large liability, or (3) if the state director has reason to believe that the contract is a questionable risk, the Form FCI-25 shall be completed for all prior years.

SECTION 3 - PREPARATION OF FORM FCI-26, ADJUSTER'S REPORT

A. PREPARATION OF FORM FCI-26

It is necessary that all adjusters be properly and adequately instructed on the preparation of Form FCI-26. In holding loss adjustment training schools, a portion of the time should be set aside for instructing the adjusters on the preparation of this form. The instructions should include a detailed explanation of the use to be made of the form by the Corporation. When instructing the adjusters on the preparation of Forms FCI-26, special emphasis should be placed upon the necessity of furnishing a complete narrative explanation of all pertinent factors involved which may either directly or indirectly have a bearing on the risk of loss in order that the Corporation may be able to evaluate properly the report and initiate appropriate adjustment. The adjusters should also be encouraged to comment fully on the adequacy of labor and equipment, productivity and risk of the land, farming ability of the insured, credit and moral risk of the insured and any other pertinent factors noted at the time of inspecting the insurance unit. The field underwriter should be utilized at these schools insofar as possible to emphasize the importance of good underwriting.

Instructions for preparing Form FCI-26 provide that such form be prepared in each instance where a Statement in Proof of Loss is filed. The preparation of this form in connection with earlier inspections is optional with the state director.

The adjusters should be instructed that in those instances where an inspection report or loss claim is not submitted immediately after its preparation, Form FCI-26 prepared in connection therewith shall be transmitted separately and directly to the state office. This is necessary in order that the information contained thereon may be kept confidential. The adjusters should also be instructed to carry with them at all times a supply of Forms FCI-26, a copy of the County Actuarial Table, and a photocopy of the applicable Crop Insurance Map in order that Form FCI-26

may be prepared promptly after inspecting the insurance unit. A check of the forms completed in connection with loss adjustment work indicates that certain information called for on the inspection report form has been recorded only on Form FCI-26. Care should be exercised to see that information called for on the inspection report is recorded on that form. Where instructions provide that the same information be entered on both the inspection report and Form FCI-26, the loss adjuster must enter the information on both forms.

The adjuster shall classify, as compared to other land and farmers in the county, each farm inspected as to (1) productivity of land, (2) risk of land, and (3) status of operator as an insurance risk. Each of these items will be classified as outstanding, average or poor. For example, a farm located in an extremely hilly area in a county operated by an excellent farmer might be classified as (1) Land Productivity - Poor; (2) Land Risk - Poor; (3) Operator (Insurance Risk) - Outstanding. On the other hand, a farm on bottom land along a river, subject to overflow, operated by an average farmer may be classified as (1) Land Productivity - Outstanding; (2) Land Risk - Poor; (3) Operator (Insurance Risk) - Average. In order to facilitate the completion of these forms by the adjuster until a revised form is printed, the state directors will mimeograph the following section on Forms FCI-26 before distributing to loss adjusters:

Land Productivity:	Outstanding	Average	Poor
Land Risk:	Outstanding	Average	Poor
Operator (Insurance Risk):	Outstanding	Average	Poor

B. ANALYSIS OF FORMS FCI-26

These reports are an important source from which to obtain information for revising areas, adjusting coverages and premium rates, designating unclassified land, and determining ineligible producers.

A detailed analysis should be made of all Forms FCI-26. Forms containing adverse or pertinent information such as: An adjustment should be made in areas, coverages or premium rates; certain land should be designated as unclassified or is subject to a special hazard; or a producer should be declared ineligible must be filed in a separate folder in order that appropriate action can be taken. Pertinent information from such reports should be transferred to the sheets maintained for the Analysis of Individual Insurance Experience (See Part VI, Section 4.) A careful review of these reports should be made each year prior to performing the actuarial work in a county.

C. FILING OF FORMS FCI-26

Forms FCI-26 are confidential and should at all times be handled, transmitted and filed as such. All prepared Forms FCI-26 received in the state office should be separated from the related loss forms upon completion of audit of such forms. Two files of Forms FCI-26 should be maintained for each county for each crop year. One file will include the Forms FCI-26 containing pertinent or adverse information, while the other file will contain the balance of the forms.

SECTION 4 - PREPARATION OF LIST OF INELIGIBLE PRODUCERS

A. ANALYSIS OF INDIVIDUAL INSURANCE EXPERIENCE

Each year, before the actuarial work for a commodity is undertaken in a

county, the state director shall complete the Analysis of Individual Insurance Experience. This form shall include any additional producers who should possibly be added to the List of Ineligible Producers. Such additional names could be obtained from information received on Inspection Reports, Adjuster's Reports (FCI-26), Record of Crop Insurance Experience (FCI-25), or from numerous other sources. Any producer who has collected an undue number of losses should be included on the Analysis of Individual Insurance Experience. The form should be retained in the state director's file and be maintained on a continuing basis for all questionable producers, and as any pertinent information becomes available throughout the year it should be added. Additional years' experience may be added as it becomes available. This method will eliminate the necessity of recopying data for such cases from year to year. The forms provide space for recording four years of indemnity experience. If more space is needed, use the following lines and bracket the two lines, or use a line on another page with reference back to the line and page of the previous listing.

Columnar entries on the form shall be made as follows from the sources noted:

Headings: Enter the name of the state, county and insured commodity. Separate forms shall be prepared for each commodity insured in the county.

Column 1: Contract number (if any).

Column 2: Name of producer.

Column 3: Summarize pertinent information from Forms FCI-26, inspection reports, correspondence, or from any other source including verbal reports from adjuster or others.

Column 4: Year of Indemnity (From FCI-25).

Column 5: Amount of Premium (From FCI-25).

Column 6: Amount of Indemnity (From FCI-25).

Column 7: Area in which land is located.

Column 8: Cause of Loss (From FCI-25, or Statement in Proof of Loss).

Column 9: Any other information deemed desirable. Might show number of units insured and number on which loss occurred, or might show the amount of coverage.

Column 10: Premium Position. (From FCI-25. Enter the difference plus or minus, between total premium for all years insured, Column 3; and total indemnities for all years insured, Column 4, as shown on the card.)

Column 11: Number of years insured. (From FCI-25. Years no premiums were earned should not be included.)

Column 12: Enter Final Determination - Eligible or Ineligible

Column 13: Enter brief reason for action taken

All information possible should be obtained regarding any producers included on this form to determine whether or not such producers should

be declared ineligible. The adjuster and other Corporation personnel should be encouraged to recommend additional names to the List of Ineligible Producers, especially the names of those producers who have not previously been insured but whose participation in the program would not be to the best interest of other insured producers in the county. Whenever names are added to, or removed from the list, the state director shall handle Forms FCI-25 for such producers in accordance with the applicable instructions outlined in Part VI, Section 2-A-2 of this manual. Prior to preparing the final Ineligible List, the Analysis of Individual Insurance Experience forms shall be reviewed with the field underwriting representative for his approval of the final determinations made. Field underwriters should request district supervisors or loss adjusters to check any insured where there is some question as to whether or not the insured is a good risk.

B. FINAL LISTS OF INELIGIBLE PRODUCERS

After the Analysis of Individual Experience lists have been reviewed with the local county people and the field underwriting representative and all acceptable deletions and recommended additions are made, the state director shall then prepare for each county a list entitled "List of Ineligible (Crop) Producers for (Crop Year)." Such list shall be further identified by entering immediately below the title the name of the county and state. This list shall be prepared in triplicate and shall contain only the names of the producers. A copy of the list shall be made available to the county office and the field underwriting representative prior to the beginning of the sales campaign. However, before issuing the final list, the state director shall determine that a name appears on the list for each person for whom a Form FCI-25 is in the county file marked "Ineligible Producers". This list may be supplemented at any time by adding additional producers, and any active insurance contracts of such producers should be cancelled prior to the first succeeding cancellation date.

PART VII - MAP OF CROP INSURANCE EXPERIENCE

In order to have a record of the location of insurance participation and losses, a Map of Crop Insurance Experience showing the approximate location of each unit insured and of each unit on which an indemnity is paid shall be prepared each year. Such a map shall be prepared for each year the insurance program was in effect in the county since 1945, except for any year where the records have been destroyed, which makes the preparation impossible for that year. In such cases a statement to account for these years shall be filed with the Maps of Crop Insurance Experience. For years prior to 1948, plotting on a sample basis may be done if at least 500 farms were insured, in which case the sample shall contain at least 250 farms. If a sample is used the same farms should be used in plotting indemnified and insured farms. Except for those cases where photo enlargements, photo indexes or where numerous sheets have been used for the Crop Insurance Map, a positive (white) photocopy of Form FCI-33 shall be used for this purpose.

In counties where a photocopy of the Form FCI-33 cannot be used for the experience map, an engineer's map, or any kind of outline map of the county showing major roads, streams, towns, etc. may be used. In such cases, the areas as established on the Form FCI-33 must be outlined on this map. (In some counties where a number of small areas have been delineated this may not be practicable.)

When acreage reports are processed an "x" shall be entered on the Map of Crop Insurance Experience at the approximate location of each insurance unit. Where there is coding similar to an "x" on the map, another appropriate symbol may be substituted therefor. In cases where the farm

operator's contract covers the interest of his sharecroppers, one "X" or other appropriate symbol, and the number of units entered will be satisfactory.

The map shall be labeled "Map of (Crop) Crop Insurance Experience for (Year)", and when a notice is received indicating a loss has been paid on a unit, the "X" or other appropriate symbol representing such unit shall be encircled. In cases where the farm operator's contract covers the interest of his sharecroppers, encircle the number of units having a loss. The original will be filed in the state director's office.

PART VIII - ACCUMULATING AND ANALYZING INSURANCE EXPERIENCE

SECTION 1 - GENERAL

There are numerous statistical data available for use in analyzing crop insurance experience. The bulk of the accumulated statistical data is made available to field personnel in either their original form or in the form of summaries prepared by the Washington Office Underwriting Division. If properly analyzed these data can be very helpful in explaining and administering the insurance program.

A. COUNTY CROP INSURANCE ANALYSIS SHEETS

1. Preparation and Distribution

County analysis sheets summarizing pertinent insurance experience for each year have been prepared by the Washington Office Underwriting Division. Sample copies of these analysis sheets, applicable to all crops except multiple, are included in the appendix of this manual. Multiple-crop analysis sheets, similar to those for the individual crops are also prepared and may be used for similar analysis.

The Washington Office Underwriting Division maintains these sheets on a current basis by adding additional experience periodically and reissuing the sheets. However, as soon as new data becomes available it is immediately furnished field personnel in the form of IBM tabulations. Upon receipt of these IBM tabulations field personnel may transfer the data contained thereon to the Analysis Sheets, thereby maintaining them on a current basis.

2. Analyses From County Crop Insurance Analysis Sheets

Sheet Number 1

a. The participation history is shown in Items 1, 2 and 3.

- (1) A determination as to whether the "no seeded" cases are excessive can be determined by comparing Items 1 and 2 between years and counties. The difference between contracts in force (Item 1) and contracts earning premium (Item 2) is made up of "no seeded" cases.
- (2) An analysis can be made regarding selectivity by comparing our participation with loss ratios. An increase in business coupled with a high loss ratio presents serious problems. It necessitates establishing rates above the actual risk. If it is determined that selectivity exists, the situation may be remedied by establishing an earlier cancellation and closing date.

b. The percentage of units insured that are indemnified

(Item 4 : Item 3) as compared to the percentage of net acres insured that are indemnified (Item 6 : Item 5) will indicate roughly whether more larger or smaller size units are being indemnified.

- c. A comparison of the percentage of insured acres released (Item 8) with percent BAE abandoned acres (Item 9) will indicate if our releases are excessive. It should be realized that in many instances abandoned acreage may not be released under the insurance program so it is expected that the BAE abandonment will exceed releases.
- d. An analysis of the premiums, indemnities, loss ratios, and premium balance will show the more important underwriting history of the county. There may be a difference between the cumulative premium balance shown in Item 14 and the premium balance used for reserve purposes. This is because the premium balance used for reserve purposes has been adjusted to reflect the cancellation of 73 million dollars in treasury certificates and is not the true balance.
 - (1) A comparison of the annual loss ratio (Item 12) with the kind of crop (Item 13) will readily show if the losses paid are in line with the crop produced in the county.

Sheet Number 2

- a. A comparison of column (2) and column (3) will show the actual average coverage per acre on insured farms as compared to the county average coverage, and if our actuarial structure is properly established will indicate if we are insuring above average or below average farms.
- b. A comparison of column (4) and column (5) will show the average premium per acre collected as compared to the county average premium. The difference between the items will reflect reductions for size of acres and the various discounts as well as the concentration of participation in above or below average rate areas. In some cases one may offset the other so that it does not show up in this comparison.
- c. Column (6) and column (5) show a comparison of the average loss per acre and the actual average premium per acre.
- d. Column (7) and column (8) show a comparison of county average rate as percent of coverage and actual average premium earned as percent of coverage, while column (9) shows actual loss as percent of coverage and should be compared with column (8).
- e. Column (10) shows the cumulative simple average loss per acre and should be compared to the actual average premium earned per acre, column (5). For some of the earlier years, when a different program or level of coverage was offered, these losses were recalculated on the basis of the current program for column (10).

Sheet Number 3

This sheet shows the annual and cumulative percentage of indemnity paid due to the various causes of loss and is self explanatory. You should note, however, that data for 1943 is not included as it was not accumulated that year. Particular attention should be given the cause of loss in conjunction with the area set up in a

county. For instance, if flood losses are paid and there is no unclassified or high risk land established it should be checked.

Sheet Number 4

This sheet shows the loss per acre by areas since the establishment of the area plan. A comparison of the loss per acre and premium rate per acre for each area will readily show if our experience is out of line.

Naturally the cause of loss and other factors will have to be considered in determining the actuarial changes necessary.

Numerous other analyses and information can be obtained from these Analysis Sheets.

B. ANALYSIS OF MAPS OF CROP INSURANCE EXPERIENCE

The annual Maps of Crop Insurance Experience show the location of each insured and indemnified unit. This map is prepared each year as acreage reports and loss claims are processed. From these maps it can be ascertained whether or not participation or losses are concentrated within certain areas of the county.

C. ANALYSIS OF INDIVIDUAL INSURED'S EXPERIENCE

Forms FCI-25, Record of Crop Insurance Experience; Form FCI-26, Adjuster's Report; and the Analysis of Individual Insurance Experience are records which may be used in analyzing individual insured's experience.

PART VI of this manual in addition to containing instructions on the preparation of these forms, also includes analyses which may be used in analyzing individual insurance experience.

D. IBM TABULATIONS

All accounting and statistical data are acquired and maintained by IBM equipment. Many cross tabulations are normally made of this data. If the need arises, special cross tabulations may also be made. Certain data is accumulated on a continuing basis of which a portion, as soon as it is available, is transmitted to the field. Listed below are the IBM tables which are furnished the field underwriters:

TABLE NUMBER	DESCRIPTION	ITEMS SHOWN ON TABLE	APPROXIMATE DATE AVAILABLE	
1 E	Acreage Report Data broken down by practice, type for tobacco, area and No. of crops for multiple.	No. of contracts earning premium No. of units earning premium No. of "No Premium" contracts Total premium Total net acres Total gross acres Total maximum liability Percent of "No Premium" contracts	3 weeks after maturity date	
1 F	Acreage Report data by practice on cases where data for more than one practice are combined	No. of units earning premiums Total premiums (at maturity) Total net acres Total gross acres		Jan. 1
1 G	County summary of insurance data broken down	Number of farms Total net acres		

	by practice, area, insured commodity and No. of farms insured. (Issued only for Multiple)	Maximum liability No. of farms with deficit Total net acres on deficit farms Total deficit Percent deficit net acres is of total net acres Percent deficit is of maximum liability	
1 H	County summary of in- surance broken down by practice, area, insured commodity, and No. of crops insured. (Issued only for Multiple).	Total single crop premiums Total multiple crop premiums Maximum liability Total crop deficit	June 1
1 J	County summary of in- surance data for crops showing no deficit on loss cases. Broken down by practice, area, and insured commodity. (For multiple crop only)	No. of insured farms growing specified crop Total net acres Maximum liability Value of production	June 1
1	Summary of general insurance data broken down by practice, level of coverage, area, type for tobacco and number of crops for multiple.	Gross acres Net Acres Total Premium Number of indemnities Total indemnity Net acres indemnified	May 1 for wheat, flax, beans and corn June 1 for other crops
10	Summary of premiums and indemnities from accounting records	No. contracts earning premium No. units earning premium Total premiums No. of indemnities Total indemnities	Jan. 15 May 15 July 15 Oct. 15
	Ledger Summary by years of Sheets premiums and indemni- ties	Total commodity premiums Total dollar premiums Total commodity indemnity Total dollar indemnity Cumulative balance	Jan. 15 July 15

A P P E N D I X

CODES FOR CAUSES OF DAMAGE

<u>CODE</u>	<u>WEATHER</u>
01	Drought
02	Hail
03	Flood (Overflow or backwater)
04	Standing Surface Water (Seepage or delayed runoff)
05	Excessive Moisture (Excluding standing surface water)
06	Winter-kill
07	Frost, Freeze, Snow
08	Hot Winds (Including excessive moisture)
09	Windstorm
10	Blowout
11	Crusted Soil (Including packed soil due to heavy rains)
12	Cold Weather
13	Water Erosion (Current year)

DISEASES

20	Rust or Wildfire
21	Root-rot
22	Wilt
23	Smut
24	Miscellaneous Diseases (Excluding those listed above)

INSECTS

30	Grasshoppers
31	Greenbugs
32	Hessian-Fly
33	Boll Weevil
34	Leaf Worm
35	Corn Borer
36	Corn Root Worm
37	Chinch Bugs
38	Cut Worms
39	Miscellaneous Insects (Excluding those listed above)

OTHER CAUSES OF DAMAGE

50	Noxious Weeds and Grasses (Due to insured causes)
51	Fire
52	Wildlife (Animals, birds, and crawfish)
53	Shortage of Irrigation Water
54	House or Pole Burn
55	Miscellaneous (Combination of more than one cause)

Cotton
(Commodity)

(Name of Insured)

Crop Year	Type and Level	Amount of Premium	Amount of Indemnity	Premium Balance 1/	Primary Cause of Loss	Remarks
1942	PCL-212-C	PCL-222	PCL-267-C	1942 premium less 1942 indem.	PCL-267-C	Enter for any applicable year - pertinent remarks from "Statement in Proof of Loss", "Inspection Report", or "Adjuster's Report", which have a bearing on insurance risk of either land or insured.
1943	Line 2. Item 1 Column G	Item 21	Item 21	1942 prem. bal. plus 1943 prem. less 1943 indem.	PCL-67-C	Item 22 from "Statement in Proof of Loss", "Inspection Report", or "Adjuster's Report", which have a bearing on insurance risk of either land or insured.
1945	PCL-212-C Item C	PCL-22	PCL-67-C	1943 prem. bal. plus 1945 prem. less 1945 indem.	PCL-567-C	Item 17 from "Statement in Proof of Loss", "Inspection Report", which have a bearing on insurance risk of either land or insured.
1946	PCL-612-C Item C	1. PCL-667-C, Middle box bottom of form. 2. PCL-622, Item J	PCL-667-C Item 17 (or 18 if used)	1945 prem. bal. plus 1946 prem. less 1946 indem.	PCL-567-C	Item 19 from "Statement in Proof of Loss", "Inspection Report", which have a bearing on insurance risk of either land or insured.
1947	PCL-712-C Item C	1. PCL-767-C, Middle box bottom of form. 2. PCL-719-C, Item C.	PCL-767-C Item 14	1946 prem. bal. plus 1947 prem. less 1947 indem.	PCL-767-C	Item 16 from "Statement in Proof of Loss", "Inspection Report", which have a bearing on insurance risk of either land or insured.
1948	County Actuarial Table ("Yield" or "Dollar")	1. PCL-867-C, Middle box at bottom of form (or for dollar form) + by entry in Box I. 2. Form PCL-2 3. Listing of premiums 2/ supplied by Branch Office	Item 14 (or 15 if completed) + by entry in Box I.	1947 prem. bal. plus 1948 prem. less 1948 indem.	PCL-867-C	Item 19 from "Statement in Proof of Loss", "Inspection Report", which have a bearing on insurance risk of either land or insured.
1949	County Actuarial Table for 1949 (Commodity" or "Monetary")	1. PCL-967-C, right box at bottom of form + by entry in Box I. 2. Premium Adjustment form 2/ 3. Listing of premiums supplied by Branch Office 2/	PCL-967-C, Item 13, (For monetary ins. + Item 13 by entry in Box I)	1948 prem. bal. plus 1949 prem. less 1949 indem.	PCL-967-C	Item 18 from "Statement in Proof of Loss", "Inspection Report", which have a bearing on insurance risk of either land or insured.

1/ If premium balance is a deficit amount, or if continuity of insurance is broken, enter "0".
2/ Divide dollar premiums on Branch Office Listing by \$0.27 to convert to pounds.

Wheat
(Commodity)

(Name of Insured)

(State and County Code)

(Contract Number)

Crop	Type and Level	Amount of Premium	Amount of Premium Indemnity	Premium Balance 1/ Col. G of FCI-25-W	Premium Balance 1/ Col. G of FCI-25-W	Primary Cause of Loss	Remarks 4/
1939							If there is no insurance in some years, but under State Office Acreage Report Audit Procedure the continuity of insurance is not broken, enter the reason for no insurance, such as: "In Active Service", "No Wheat Seeded". If reduced premium applies in any year, enter "10%", "25%" or "50% reduction", whichever is applicable.
1945 2/ Item E	1. FCI-25-W 2. FCI-22, Item J.	1. FCI-25-W 2. FCI-567, Item 16	1943 premium balance plus 1945 premium less 1945 indemnity	FCI-567 Item 17	FCI-567 Item 15		
1946 Item E	1. FCI-25-W 2. FCI-667, middle box at bottom of form.	1. FCI-25-W 2. FCI-667 Item 14	Previous premium balance plus 1946 premium less 1946 indemnity	FCI-567- Item 15	FCI-567- Item 15		
1947	FCI-719-W or FCI-719-SW, heading, "In- sured percent".	1. FCI-25-W 2. FCI-667, middle box at bottom of form. 3. FCI-719-W or FCI-719-SW, Column 9, Item E.	1946 premium balance plus 1947 premium less 1947 indemnity	FCI-667 Item 15	FCI-667 Item 15		
1948	FCI-819-W or FCI-819-W Rev. Heading "In- sured percent", or "Level of Coverage".	1. FCI-667, middle box at bottom of form, or FCI-867, right box at bottom of form + by entry in Box E. 2. Form FCI-2 3. Listing of premiums supplied by Branch Office 3/	FCI-667, Item 14 or FCI-867, Item 12 + by entry in Box E	1947 premium balance plus 1948 premium less 1948 indemnity	FCI-667 Item 15		
1949	FCI-919-W Heading "In- sured percent", "Level of Coverage".	1. FCI-667 middle box at bottom of form or FCI-967, right box at bottom of form + by entry in Box E. 2. Premium Adjustment form. 3. Listing of premiums supplied by Branch Office 3/	FCI-667, Item 13. For Monetary Ins., + by entry in Box E	1948 premium balance plus 1949 premium less 1949 indemnity	FCI-967 Item 18		
							1/ If premium balance is a deficit amount, or if continuity of insurance is broken, enter "0". 2/ Continuity of insurance not broken by lack of insurance in 1945. 3/ Divide dollar premiums by \$1.50 to convert to bushels. 4/ Enter opposite line for years 1939-43 the number of consecutive years ending with 1943, the wheat crop was insured with no loss.

CROP INSURANCE ANALYSIS SHEET NO. 1

Item	(Crop)			(State)			(County)		
	19	19	19	19	19	19	19	19	19
1. Contracts in force									
2. Contracts earning premium									
3. Number of units insured									
4. Number of units indemnified									
5. Total net acres insured									
6. Net acres indemnified									
7. BAE seeded									
8. Insured acres released									
9. BAE abandoned acres									
10. Amount of net earned prem. (\$)									
11. Amount of indemnity (\$)									
12. Annual loss ratio									
13. Kind of crop (% of average)									
14. Cumulative prem. bal. (\$)									
15. Cumulative loss ratio									
16. % of acres for wtg. unclass.									
17. Farmland-Cropland unclassified									
18. No. ineligible producers									
19. Premium adj. for reserve position (\$)									
20.									

COUPLED CROP INSTITUTE WATTS STREET NO. 2

(CROP)

STATE

1000

PERCENT OF TOTAL INDEBTEDNESS FOR EACH YEAR.

COUNTY CROP INSURANCE ANALYSIS SHEET No. 4
(Loss Due to Adverse Weather)

(Loss Per Acre By Age 68)

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